Distr.
GENERAL

GC.8/12
9 September 1999

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

GENERAL CONFERENCE

Eighth session
Vienna, 29 November-3 December 1999
Item 11 (c) of the provisional agenda

Adjustments to the programme and budgets for the 1998-1999 biennium

Note by the Secretariat

Provides background information concerning the recommendation of the Board in decision IDB.20/Dec.5, paragraph (d)(i), on supplementary estimates for the measures relating to buildings management and VIC essential requirements.

1. Within the context of General Conference decision GC.7/Dec.16, paragraph (e), proposed adjustments to the approved regular budget estimates for 1998-1999 were submitted to the Industrial Development Board at its twentieth session through the Programme and Budget Committee (IDB.20/7-PBC.14/6). Upon recommendation of the Committee, the Board adopted decision IDB.20/Dec.5, which endorsed the proposed adjustments outlined in paragraphs 13 to 21 of the document. The Board also took note of the information provided in the programme and budget document (GC.7/21), indicating that a reallocation of budgetary resources would be required in the event that UNIDO continued to maintain responsibility for buildings management.

2. In decision IDB.20/Dec.5, the Board requested the Director-General, in accordance with financial regulation 3.9: (a) to submit for approval by the eighth session of the General Conference the necessary supplementary estimates for the current fiscal period for the measures relating to buildings management and the VIC essential requirements programme while being implemented in the 1998-1999 biennium, as referred to in paragraphs 22 to 34 of document IDB.20/7; and (b) to submit those estimates in an amount not to exceed $19.6 million, as presented in table 1 of that document.

3. Subsequently, the Director-General reported in document IDB.21/5 that discussions with other organizations in the Vienna International Centre (VIC), including in the Consultative Committee on Common Services, had not resulted in the transfer of responsibility for buildings management.

4. The annex to the present document shows the adjustments by major programme and major object of expenditure. It also presents the split-currency adjustment formula, reflecting the budget adjustments. Table 2 of the annex reflects adjustments between major objects of expenditure to facilitate a transparent administration of the essential requirements programme, as compared to the corresponding table (2 (b)) in document IDB.20/7.

ACTION REQUIRED OF THE CONFERENCE

5. The Conference may wish to consider adopting the following draft decision:

"*The General Conference*:

"(a) Recalls its decision GC.7/Dec.16 on the programme and budgets, 1998-1999;

"(b) Takes note of Board decision IDB.20/5, which endorsed the adjustments to the programme and budgets for 1998-1999 outlined in paragraphs 13 to 21 of document IDB.20/7 within the context of General Conference decision GC.7/Dec.16, paragraph (e);

"(c) Also takes note of the information provided in document IDB.20/7 and subsequently in documents IDB.20/18, IDB.21/5 and GC.8/12 concerning responsibility for buildings management as well as support to the Vienna Chapter of the Group of 77 and China;

"(d) Approves the supplementary estimates for the fiscal period 1998-1999 outlined in the annex to document GC.8/12."

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V.99-87775 (E)

Distr.: 16 September 1999

Annex

REGULAR BUDGET ADJUSTMENT FOR 1998-1999

Table 1. By major programme
(In thousands of US dollars at US$ 1 = AS 12.90)

	Major programme	Budget 1998-1999 Expenditure	Income	Net	Percentage of net total budget	Budget adjustments Expenditure	Income	Net	Adjusted budget 1998-1999 Expenditure	Income	Net	Percentage of net total budget
A	Policy-making Organs	6,680.0		6,680.0	5.2	(594.4)		(594.4)	6,085.6		6,085.6	4.7
B	General Management	10,474.0		10,474.0	8.1	981.2		981.2	11,455.2		11,455.2	8.8
C	Strengthening of Industrial Capacities	42,017.5		42,017.5	32.4	(1,041.8)		(1,041.8)	40,975.7		40,975.7	31.6
D	Cleaner and Sustainable Industrial Development	14,415.0		14,415.0	11.1	(243.3)		(243.3)	14,171.7		14,171.7	10.9
E	Regional Programme Management	20,343.7	895.5	19,448.2	15.0	(129.0)		(129.0)	20,214.7	895.5	19,319.2	14.9
F	Technical Cooperation Management	7,567.6		7,567.6	5.8	(145.7)		(145.7)	7,421.9		7,421.9	5.7
G	Administration	44,400.8	13,954.1	30,446.7	23.5	20,774.7	19,601.7	1,173.0	65,175.5	33,555.8	31,619.7	24.4
	Miscellaneous income		1,508.3	(1,508.3)	(1.2)					1,508.3	(1,508.3)	(1.2)
		145,898.6	16,357.9	129,540.7		19,601.7	19,601.7	(0.0)	165,500.3	35,959.6	129,540.7	

Table 2. By major object of expenditure
(In thousands of US dollars at US$ 1 = AS 12.90)

	Major object of expenditure	Budget 1998-1999 Expenditure	Income	Net	Percentage of net total budget	Budget adjustments Expenditure	Income	Net	Adjusted budget 1998-1999 Expenditure	Income	Net	Percentage of net total budget
100	Staff costs	86,436.9	4,726.9	81,710.0	63.1	5,875.5	4,634.7	1,240.8	92,312.4	9,361.6	82,950.8	64.0
200	Official travel	2,192.1	3.3	2,188.8	1.7	4.6	3.5	1.1	2,196.7	6.8	2,189.9	1.7
300	Contractual services	694.7		694.7	0.5				694.7		694.7	0.5
400	General operating expenses	16,869.2	9,845.4	7,023.8	5.4	11,239.9	8,877.0	2,362.9	28,109.1	18,722.4	9,386.7	7.2
500	Supplies and materials	780.8	104.8	676.0	0.5	113.8	89.9	23.9	894.6	194.7	699.9	0.5
600	Acquisition of furniture and equipment	473.1	167.1	306.0	0.2	187.5	148.0	39.5	660.6	315.1	345.5	0.3
700	EDP non-staff costs	4,164.1		4,164.1	3.2				4,164.1		4,164.1	3.2
800	Technical Cooperation and IDDA	13,676.7		13,676.7	10.6				13,676.7		13,676.7	10.6
900	Other expenditures	20,611.0	2.1	20,608.9	15.9	2,180.4	5,848.6	(3,668.2)	22,791.4	5,850.7	16,940.7	13.1
	Miscellaneous income		1,508.3	(1,508.3)	(1.2)					1,508.3	(1,508.3)	(1.2)
		145,898.6	16,357.9	129,540.7		19,601.7	19,601.7	0.0	165,500.3	35,959.6	129,540.7	

Table 3

Adjustment formula

	(A - 7)/Inc. (1)				Adjusted budget			
	US dollars			Austrian schillings	US dollars			Austrian schillings
Appropriations								
A. Policy-making Organs	551,100	+	(	79,092,200 /R)	506,500	+	(	71,970,400 /R)
B. General Management	2,592,700	+	(	101,668,900 /R)	2,372,700	+	(	117,164,200 /R)
C. Strengthening of Industrial Capacities	4,687,400	+	(	481,558,180 /R)	4,802,800	+	(	466,630,400 /R)
D. Cleaner and Sustainable Industrial Development	1,541,700	+	(	166,062,840 /R)	1,626,800	+	(	161,829,200 /R)
E. Regional Programme Management	12,163,500	+	(	100,364,600 /R)	12,582,400	+	(	98,456,700 /R)
F. Technical Cooperation Management	658,000	+	(	89,133,850 /R)	644,900	+	(	87,423,300 /R)
G. Administration	2,612,500	+	(	539,069,236 /R)	2,966,400	+	(	802,497,446 /R)
Subtotal appropriations	25,207,100	+	(	1,356,920,906 /R)	25,502,500	+	(	1,805,971,646 /R)
Estimated income								
E. Regional Programme Management	895,500	+	(	0 /R)	895,500	+	(	0 /R)
G. Administration	294,000	+	(	176,213,120 /R)	589,400	+	(	425,266,760 /R)
Miscellaneous	662,100	+	(	10,915,800 /R)	662,100	+	(	10,915,800 /R)
Subtotal estimated income	1,851,600	+	(	187,110,920 /R)	2,147,000	+	(	436,182,560 /R)
TOTAL NET REQUIREMENTS	**23,355,500**	+	(	**1,369,789,086 /R)**	**23,355,500**	+	(	**1,369,789,086 /R)**

Note 1: The net requirements shown above assume a ratio of 18 per cent in US dollars and 82 per cent in Austrian schillings at an exchange rate of US$ 1 = AS 12.90.

Note 2: R represents the average United Nations exchange rate for Austrian schilling to US dollar which will be experienced during 1998-1999.